

Canada-ASEAN: a Growing Relationship

IN THE late 1960s, when Canada began a reassessment of its international relations, the Pacific region was emerging from a period of considerable instability and turbulence. Although due recognition was given to the economic potential of Southeast Asia, more attention was placed on the necessity of re-establishing peace in some areas of the region as a prerequisite for stability and economic growth. The Association of Southeast Asian Nations (ASEAN) had barely begun its co-operative efforts and had yet to invite outside countries to participate in its development as an association.

Today this situation has changed radically. While the goal of stability still remains elusive in some areas of the region, early predictions of economic potential have been more than justified and ASEAN has not only multiplied its co-operative activities but has become a strong and unified voice in representing the interests of its member countries. Furthermore, it has established formal and meaningful relations with many of the world's most important trading partners.

Canadian policies in Southeast Asia have evolved in response to these changes. Canadian participation in the international control commissions that operated in Indochina had demonstrated a strong sense of commitment to the stability of the region. This commitment has not flagged, as is evident from the Canadian response to the Kampuchean situation, and it accounts, in part, for Canada's decision to accept 60,000 Indochinese refugees during the last two years.

Equally significant has been the rapid economic growth among the ASEAN countries, which has led to increased demands for a wide variety of Canadian manufactured goods and raw materials. Metals and minerals, pulp and paper, machinery, chemical products, and electrical and electronic goods, many of them originating in western Canada, have flowed into the ASEAN region and, as is the nature of business, have increased the degree of contact between the Canadian and ASEAN business communities.

There is evidence of the development of a surprising degree of harmony in Canadian and ASEAN views on matters affecting Pacific Rim countries. For instance, the security of the ASEAN countries, particularly in view of their very important geographic locations, is of immense interest to Canada. ASEAN spans the vital sea lanes that link the Middle East and South Asia with the important free-market economies of the western Pacific and the west coast of North America. With an ever-expanding volume of Pacific trade, any disruption in the movement of goods in the region is of direct significance to the ASEAN countries and would definitely have an impact on Canadian trans-Pacific trade.

The trading interests of the ASEAN member states and Canada are both complementary and competitive. Both must export resource commodities to the major trading centres of the world. Canada shares the Japanese and American markets with the ASEAN countries and with Australia for products such as iron ore, coal, copper, oil seeds, aluminum, nickel and forest products. Canada is a consumer of certain commodities which are the ASEAN countries' major export interests, such as rubber, sugar, tea, and tropical timber.

An important step in Canada's evolving relationship with ASEAN dates to December, 1974, when Prime Minister Pierre Trudeau, in a special section entitled "Canadian Relations with Asia" in the *Far Eastern Economic Review*, wrote that: "Our support for ASEAN and relations with its member countries is an important element in Canada's goal of seeking closer relations with the Pacific region." In 1976 the Honourable Don Jamieson, then Minister of Industry, Trade and Commerce, visited the ASEAN countries and referred to prospects for co-operation in industrial development. Shortly thereafter, the Honourable Allan MacEachen, as Secretary of State for External Affairs, announced during a visit to the ASEAN countries that Canada wished to open a "dialogue" with ASEAN as part of establishing a more formal relationship.

Through the early dialogue meetings, the necessary process of familiarization with each other's interests and capabilities was begun. As well, the stage was set for the provision of development assistance and co-operation in industrial and technical development. There also emerged a desire on both sides to enhance the level and frequency of consultations concerning bilateral issues through future dialogue meetings. Furthermore, there arose a willingness to discuss, outside the formal Canada-ASEAN

relationship, international issues, such as law of the sea, the role of international financial institutions, etc., which are of concern to Canada and the ASEAN members.

The Canadian commitment to ASEAN, however, transcends political and commercial linkages to encompass the provision of development assistance. Progress has been made in two areas, fishery and forestry. The Secretary of State for External Affairs Mark MacGuigan and the Thai Foreign Minister Sitti Savetsila signed letters of intent in Kuala Lumpur on June 28, 1980, formally launching a Canadian-sponsored forestry seed centre destined to assist in the improvement of forestry operations and management in the ASEAN countries. Discussions on a post-harvest fisheries project have been completed and formal agreement is expected in due course.

Canadian development assistance to ASEAN is not limited to these two projects. Equally significant is the industrial co-operation program of the Canadian International Development Agency (CIDA). The program is essentially aimed at the transfer of technology to middle-income countries and, as such, ASEAN is singularly well placed to take advantage of its benefit. Canada has also supported Technonet-Asia, a regional technical information and advisory system.

Canada is a founder member of the Asian Development Bank and contributes to it as well as to the World Bank, both of which have large exposure in the ASEAN area. The International Development Research Centre (IDRC) has a large regional office in Singapore and extensive activities in the ASEAN countries.

In order to promote better mutual understanding, the Department of External Affairs invited ASEAN journalists to visit Canada in 1979 and, with CIDA, provided financial support for an academic conference in Vancouver that included ASEAN academics.

The Canadian private sector can be seen to be taking a growing interest in the member countries of ASEAN. Direct investment is more than \$1 billion and bank financing is \$2.5 billion.

Possibly the most significant element in the future development of the Canada-ASEAN relationship will be the

All figures in this publication are in Canadian dollars unless otherwise specified.